

**SENATE BILL NO. 38**

IN THE LEGISLATURE OF THE STATE OF ALASKA

THIRTY-FOURTH LEGISLATURE - FIRST SESSION

BY SENATOR KAUFMAN

Introduced: 1/22/25

Referred: State Affairs, Finance

**A BILL**

**FOR AN ACT ENTITLED**

1 **"An Act establishing the office of information technology; relating to information**  
2 **technology projects undertaken by state agencies; and providing for an effective date."**

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 \* **Section 1.** AS 44.21 is amended by adding new sections to read:

5 **Article 7. Office of Information Technology.**

6 **Sec. 44.21.600. Office of information technology and chief information**  
7 **officer.** The office of information technology is created in the Department of  
8 Administration. The director of the office is the chief information officer of the state.

9 **Sec. 44.21.610. Duties of office and director.** (a) The office shall

10 (1) oversee all information technology services and resources in the  
11 executive branch of state government;

12 (2) ensure that information technology services are acquired, and  
13 information resources are managed, in a manner that effectively implements standard  
14 policies, procedures, security controls, and the business priorities established by

1 executive branch agencies;

2 (3) promote the effective and efficient design and operation of all  
3 major information resources and management processes for the state;

4 (4) oversee the development, implementation, and enforcement of  
5 information technology security policies, standards, and practices in all executive  
6 branch agencies, contractors of executive branch agencies, and third-party,  
7 information-sharing partners of executive branch agencies;

8 (5) employ a chief information security officer to assist the chief  
9 information officer; the chief information security officer is chosen by the chief  
10 information officer and serves at the pleasure of the chief information officer;

11 (6) develop strategies and specific plans for hiring, training, and  
12 professional development to rectify deficiencies in information technology security  
13 policies, standards, and practices;

14 (7) identify and inventory all computer equipment owned by the state  
15 and determine, in consultation with department heads, the equipment that should be  
16 disposed of as surplus property under AS 44.68.110;

17 (8) adopt, fully document, and implement a standardized process for  
18 managing information technology projects;

19 (9) manage information technology projects using a standardized, fully  
20 documented process established and overseen by the director as described in  
21 AS 44.21.630;

22 (10) ensure that major information technology projects are completed  
23 on time and within budget and meet all defined business requirements upon  
24 completion;

25 (11) ensure that minor information technology projects follow  
26 processes established by the office;

27 (12) establish procedures to limit the need for change requests.

28 (b) The director shall review, approve or reject, and monitor all information  
29 technology projects undertaken by a state agency. The director may approve an  
30 information technology project

31 (1) that conforms to project management procedures and policies;

- 1 (2) that does not duplicate a capability already existing in the state;  
2 (3) that conforms to procurement rules and policies; and  
3 (4) for which sufficient funds are available.

4 (c) The director shall ensure that state agency information technology project  
5 requirements are documented in biennial information technology plans. If a state  
6 agency updates a biennial information technology plan to add a new project, the  
7 director shall immediately report to the office of management and budget the reasons  
8 for the new requirement and the costs and funding sources associated with the new  
9 requirement.

10 (d) The director may adopt regulations that the director considers necessary to  
11 implement AS 44.21.600 - 44.21.660.

12 **Sec. 44.21.620. Approval, suspension, and cancellation of projects.** (a) A  
13 state agency may not begin an information technology project unless the director  
14 approves the project. If the director rejects a proposed information technology project,  
15 the director shall indicate the specific reasons the project was rejected in writing. The  
16 director shall, within five business days after rejecting a project, deliver the written  
17 rejection to the state agency and provide a copy of the rejection to the office of  
18 management and budget.

19 (b) The director may suspend or cancel an information technology project that  
20 does not continue to meet applicable quality assurance standards. The director shall  
21 immediately suspend or cancel an information technology project that is initiated  
22 without the director's approval. A project suspended or canceled because the project  
23 lacks the director's approval may not proceed until the state agency completes all  
24 required project management documentation and the director approves the project. If  
25 the director suspends or cancels a project, the director shall, within five business days  
26 after ordering the suspension or cancellation, provide in writing to the state agency  
27 and the office of management and budget the specific grounds for the suspension or  
28 cancellation of the project.

29 (c) A state agency may request that the governor review the director's decision  
30 to reject, suspend, or cancel an information technology project, or the director's  
31 decision not to enter into an agreement under AS 44.21.650, by submitting a written

1 request for review to the governor within 15 business days after receiving written  
 2 notice of the director's decision. The agency's request for review must specify the  
 3 grounds for the disagreement with the director's determination and include a copy of  
 4 the director's written notice. The governor may request additional information from  
 5 the agency or the director. Within 30 days after receiving the agency's request for  
 6 review, the governor shall provide written notice to the agency and the director of the  
 7 governor's decision and the specific grounds for the decision. The governor may

8 (1) affirm the director's decision;

9 (2) reverse or modify the director's decision if the governor finds that  
 10 the decision is not supported by substantial evidence; or

11 (3) remand the decision to the director for additional findings.

12 (d) A contract between a state agency and a private entity for an information  
 13 technology project must include provisions for vendor performance review and  
 14 accountability, contract suspension or termination, and termination of funding. The  
 15 director may require that a contract with a private entity include a performance bond,  
 16 monetary penalties, or other performance assurance measures for a project that is not  
 17 completed within the specified time or that exceeds the contracted price. The director  
 18 may use cost savings realized on government vendor partnerships as performance  
 19 incentives for an information technology vendor.

20 **Sec. 44.21.630. Project management.** (a) The director shall establish  
 21 standardized documentation requirements for information technology projects,  
 22 including requests for proposals and contracts. The director shall establish standards  
 23 for project managers and project management assistants. The director shall develop  
 24 performance measures for project reporting and make project reports available to the  
 25 public on the office's Internet website.

26 (b) The director shall establish a clearly defined, standardized process for  
 27 project management that includes timelines for completion of process requirements for  
 28 both the office and state agencies. The director shall also establish reporting  
 29 requirements for information technology projects during the planning, development,  
 30 and implementation phases of the project and following completion of the project. The  
 31 director shall continue to monitor system performance and financial aspects of each

1 project after implementation.

2 (c) For a major information technology project, the director shall designate a  
3 project manager from the office. The project manager shall select qualified personnel  
4 from the state agency undertaking the project to participate in information technology  
5 project management, implementation, testing, and other activities. The project  
6 manager shall provide periodic reports to the director. The reports must include  
7 information regarding the state agency's business requirements, applicable laws and  
8 regulations, project costs, issues related to hardware and software, training, projected  
9 and actual completion dates, and other information relevant to the implementation of  
10 the information technology project.

11 (d) The director may require a state agency developing or undertaking a major  
12 information technology project to engage the services of private counsel or a subject  
13 matter expert with the appropriate information technology expertise. The private  
14 counsel or subject matter expert may review requests for proposals, review and  
15 provide advice and assistance during the evaluation of proposals and selection of  
16 vendors, and review and negotiate contracts associated with the project. This  
17 subsection applies to minor information technology projects that are related and  
18 separated into individual projects if the total cost of ownership of the individual  
19 projects exceeds \$5,000,000.

20 (e) For a minor information technology project, the state agency undertaking  
21 the project shall provide one or more project managers. A state agency project  
22 manager is subject to review and approval by the director. A state agency project  
23 manager shall ensure that applicable quality assurance standards are met, as  
24 determined by the director. A state agency project manager shall provide periodic  
25 reports to a project management assistant assigned to the project under (f) of this  
26 section. The reports must include information regarding project costs, issues related to  
27 hardware and software, training, projected and actual completion dates, and other  
28 information relevant to the implementation of the information technology project.

29 (f) For a minor information technology project, the director shall designate a  
30 project management assistant from the office. The director may designate a project  
31 management assistant from the office to a major information technology project. A

1 project management assistant designated under this subsection shall advise the state  
 2 agency undertaking an information technology project on the initial planning of a  
 3 project, the content and design of requests for proposals, contracts, procurement, and  
 4 architectural and other technical reviews. The project management assistant shall also  
 5 monitor progress in the development and implementation of the project and provide  
 6 status reports to the state agency and the director, including recommendations  
 7 regarding continued approval of the project.

8 **Sec. 44.21.640. Standards for purchases.** The director shall establish  
 9 standards for the purchase of state agency hardware and software that are consistent  
 10 with AS 36.30 (State Procurement Code) and reflect identified and documented state  
 11 agency needs.

12 **Sec. 44.21.650. Exemptions.** (a) The director may enter into a written  
 13 agreement with a state agency that exempts the state agency from the requirements of  
 14 AS 44.21.600 - 44.21.660 and authorizes the state agency to approve and monitor all  
 15 information technology projects undertaken by the state agency. The written  
 16 agreement must

17 (1) require the state agency to comply with

18 (A) standardized processes adopted under AS 44.21.610(a);

19 (B) standardized processes adopted under AS 44.21.610(a)

20 with a list of variations; or

21 (C) standardized processes adopted by the state agency;

22 (2) require the state agency to comply with

23 (A) standardized processes established under AS 44.21.630;

24 (B) standardized processes established under AS 44.21.630

25 with a list of variations; or

26 (C) standardized processes adopted by the state agency that

27 include documentation requirements, project management processes, and  
 28 qualifications for project managers;

29 (3) include a plan for the state agency to fulfill obligations with  
 30 contractors;

31 (4) allow the state agency to designate an employee of the state agency

1 or a contractor as a project manager; and

2 (5) require the state agency to submit periodic reports to the director,  
3 including updates to the state agency's biennial information technology plan as  
4 provided in AS 44.21.610(c).

5 (b) The director may enter into a written agreement with a state agency that  
6 exempts an information technology project undertaken by the state agency from a  
7 requirement of AS 44.21.600 - 44.21.660. The written agreement must detail the  
8 requirement that is waived, how the state agency will deviate from the requirement,  
9 and the purpose of the deviation.

10 (c) If the director decides not to enter into a written agreement with a state  
11 agency under (a) or (b) of this section, the director shall provide in writing to the state  
12 agency and the office of management and budget the specific grounds for the decision.  
13 The state agency may request that the governor review the director's decision as  
14 provided in AS 44.21.620(c).

15 (d) The director shall include a copy of an agreement entered into with a state  
16 agency under (a) or (b) of this section in the biennial information technology plan  
17 required under AS 44.21.610(c) and shall deliver the agreement to the senate secretary  
18 and the chief clerk of the house of representatives and notify the legislature that the  
19 agreement is available.

20 **Sec. 44.21.660. Definitions.** In AS 44.21.600 - 44.21.660,

21 (1) "change request" means a formal proposal requesting deviations in  
22 the project processes, cost, scope, or timeline;

23 (2) "director" means the director of the office of information  
24 technology;

25 (3) "information technology project" means an effort of defined and  
26 limited duration that implements, effects a change in, or addresses a risk to processes,  
27 services, security, systems, records, data, human resources, or architecture related to  
28 technology used for the processing and transmission of information; "information  
29 technology project" does not include a broadband project managed by the office of  
30 broadband under AS 44.33.910;

31 (4) "major information technology project" means an information

1 technology project undertaken by a state agency that has a total lifetime cost of  
2 ownership of \$5,000,000 or more or an information technology project jointly  
3 undertaken by two or more state agencies;

4 (5) "minor information technology project" means an information  
5 technology project undertaken by a single state agency that has a total lifetime cost of  
6 ownership of less than \$5,000,000;

7 (6) "office" means the office of information technology;

8 (7) "state agency" has the meaning given to "state agencies" in  
9 AS 44.21.390.

10 \* **Sec. 2.** The uncodified law of the State of Alaska is amended by adding a new section to  
11 read:

12 TRANSITION: REGULATIONS. The Department of Administration shall adopt  
13 regulations necessary to implement this Act. The regulations take effect under AS 44.62  
14 (Administrative Procedure Act), but not before the effective date of the law implemented by  
15 the regulation.

16 \* **Sec. 3.** Section 2 of this Act takes effect immediately under AS 01.10.070(c).

17 \* **Sec. 4.** Except as provided in sec. 3 of this Act, this Act takes effect January 1, 2026.